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MILK MARKET INFORMATION  
CHATTANOOGA TENNESSEE MARKETING AREA  
SEPTEMBER 1961

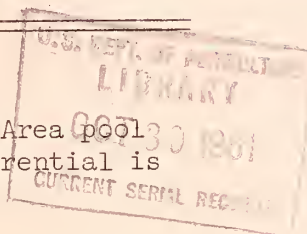
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Federal Order No. 100, 3756 Ringgold Road, Chattanooga 11, Tennessee  
J. B. McCroskey, Market Administrator

MARKET SUMMARY SEPTEMBER 1961

The MINIMUM uniform producer price is \$4.67 per cwt. f.o.b. Chattanooga Area pool plants for milk containing 4.0% butterfat. The producer butterfat differential is 7.6 cents for each one-tenth of one percent above or below 4.0 percent.



During September, 79.0% of the total producer milk was priced in Class I at \$5.00 per cwt. with a butterfat differential of 7.9 cents and 21.0% in Class II at \$3.65 per cwt. with a butterfat differential of 7.0 cents. The daily average use of Gross Class I milk increased 18.6% compared with August 1961 and increased 2.2% compared with September 1960.

Daily average delivery of milk from producers was 490,627 pounds in September 1961, an increase of 34,893 pounds per day compared with August 1961 and an increase of 36,798 pounds compared with September 1960. Percentage-wise, September deliveries increased 7.7% and 8.1% compared with August 1961 and September 1960 respectively. The daily average farm delivery was 717 pounds compared with 642 pounds per farm for September 1960. This shows an increase of 75 pounds (8.7 gallons) per farm per day.

NUMBER OF FARM PAYROLL ACCOUNTS

	1960				1961								
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
New	22	6	4	2	2	1	2	3	2	1	1	13	2
Quit	15	11	7	8	13	3	3	3	2	4	3	4	1
Total	707	702	699	693	682	680	679	679	679	676	674	683	684

MILK BASE RULES

The following rules shall apply in connection with the establishment and assignment of producer milk bases for the Chattanooga Marketing Area:

- (a) A base shall be assigned to the producer for whose account milk is received at a pool plant during the months of September through January.
- (b) An entire base may be transferred effective as of the end of any month during which an application, on approved form, for such transfer is received by the Market Administrator.
  1. All base transfers shall be signed by the person transferring base and the person receiving base.
  2. If a base is held jointly, the transfer application shall be signed by all joint holders or their heirs.
- (c) A base established as a partnership may be divided between the partners on any basis agreed to in writing by the partners, provided written notification is given the Market Administrator.

The above rules are published in answer to recent inquiries that indicate producers are not fully aware of the Order provisions with regard to bases and the effect changes in name listings may have on bases. If there are any questions concerning a milk base, please contact the Market Administrator's Office.

COMPARISON OF GROSS MILK RECEIPTS AND UTILIZATION

	<u>Sept. '61</u>	<u>Aug. '61</u>	<u>Sept. '60</u>
Number of Plants (Pool and Non-Pool)	16	16	18
GROSS RECEIPTS POUNDS (DAILY)			
Producer Milk	490,627	455,734	453,829
% September '61 compared with:	100.0	107.7	108.1
Other Source Milk	5,717	7,626	4,333
Other Order Milk	14,506	19,051	6,925
TOTAL RECEIPTS MILK POUNDS	510,850	482,411	465,087
% September '61 compared with:	100.0	105.9	109.8
GROSS UTILIZATION POUNDS (DAILY)			
Class I Milk:			
Fluid Milk	313,619	271,124	311,163
Fluid Skim	12,708	11,558	9,584
Buttermilk	38,941	36,377	38,856
Chocolate Milk	9,171	8,976	9,582
Cream Mixture ( $\frac{1}{2}$ & $\frac{1}{2}$ )	1,316	1,276	1,033
Light Cream (X)	323	332	538
Heavy Cream (XX)	549	552	569
Sour Cream	267	276	236
Bulk to Non-Handlers	15,244	208	11,555
Class I Shrinkage	1,987	749	1,511
Inventory Reclassification	(1,298)	(104)	(162)
Overstated Sales	(38)	(17)	-
Total Class I Milk	392,789	331,307	384,465
% September '61 compared with:	100.0	118.6	102.2
Class II Milk: (Used to Produce)			
Butter	9,189	6,144	3,756
Cottage Cheese	15,345	17,055	12,669
Powdered and Condensed Milk	70,863	85,210	34,742
Ice Cream	21,228	28,557	20,762
Inventory Variation	(9,634)	2,763	(1,953)
Other	11,070	11,375	10,646
Total Class II Milk	118,061	151,104	80,622
% September '61 compared with:	100.0	78.1	146.4
TOTAL UTILIZATION CL. I AND CL. II MILK LBS.	510,850	482,411	465,087
% Producer Milk of Gross Class I	124.9	137.6	118.0
% Producer Milk Priced in Class I	79.0	71.7	83.6

OCTOBER 1961 CLASS I MINIMUM PRICE COMPUTATION INCLUDING SUPPLY-DEMAND ADJUSTMENT

	<u>Oct. '61</u>	<u>Sept. '61</u>	<u>Oct. '60</u>
Basic Formula (See page 4)	\$3.65	\$3.65	\$3.58
Plus Class I Differential	1.75	1.75	1.75
Supply-Demand Adjustment	(0.36)	(0.40)	(0.14)
Class I Price, 4.0% Butterfat	\$5.04	\$5.00	\$5.19
Per \$ 1000.51 (a)			
Supply-Demand Comparison: 1st and 2nd preceding months: August and September			
Supply: Lbs. Producer Milk (Aug. 14,127,758 and Sept. 14,718,820)			28,846,578
Demand: Lbs. Net Class I Milk (Aug. 10,134,759 and Sept. 11,682,710)			21,817,469
Utilization Percentage: Producer milk divided by Class I			132
Standard Utilization Percentage: Range 110-114			114
Net Deviation Percentage: Utilization minus Standard Utilization			plus 18
Supply-Demand Adjustment: 2 cents x 18 percentage points			minus \$0.36

Since the supply in relation to the demand is more than the desired standard, the price is decreased 36 cents per hundredweight (2 cents x 18 percentage points).



COMPUTATION OF UNIFORM PRODUCER PRICE FOR SEPTEMBER 1961  
Based on 16 plant reports prior to audit

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	Class %	Milk Pounds	Butterfat Test-%	Cwt. Price @ Test	Value
Gross Class I		11,783,672	3.527		
Less Other Source		149,370	1.982		
Producer Milk Class I	79.0	11,634,302	3.546839	\$4.642003	\$540,064.65
Gross Class II		3,541,823	5.743		
Less Other Source		457,305	2.835		
Producer Milk Class II	21.0	3,084,518	6.174287	5.172001	159,531.30
TOTAL PROD.(Cl.I + Cl.II)	100.0	14,718,820	4.097455		699,595.95
Less Fractional Adjustment					.01
Add Compensatory Payment Value		11,278		0.33	37.22
Add Overage Value					22.78
Add Inventory Reclassification Value					334.84
Add $\frac{1}{2}$ Producer-Settlement Fund Reserve					4,640.70
TOTAL VALUE AT TEST		14,718,820	4.097455		704,631.48
Less Test Over 4% @ 7.6¢ per point		14,718,820	.097455	0.074066	10,901.64
TOTAL VALUE AT 4.0%		14,718,820	4.0	4.713216	693,729.84
Less Producer-Settlement Fund Reserve		14,718,820		.043216	6,360.89
UNIFORM PRICE f.o.b. POOL PLANT - 4%		14,718,820	4.0	\$4.67	\$687,368.95

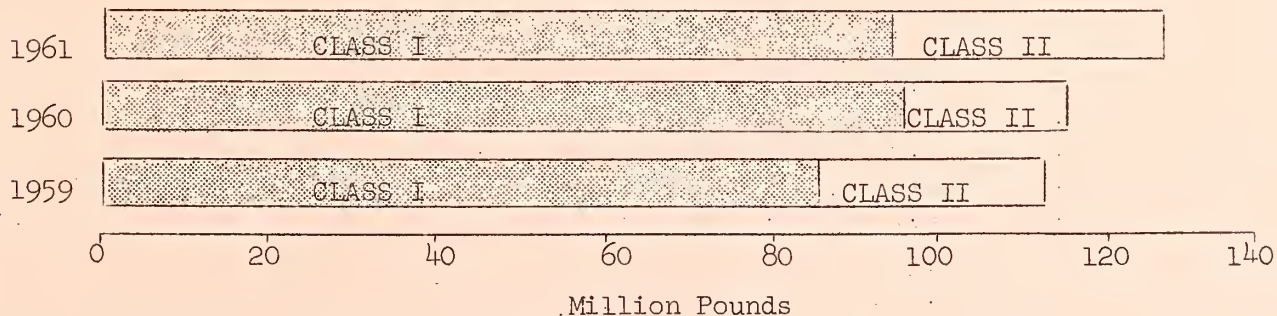
SEPTEMBER 1961 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANT (0-65 Mile Zone)  
BUTTERFAT DIFFERENTIAL 7.6¢ PER POINT (EXCLUDES PREMIUMS)

TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE	TEST	PRICE
3.0	\$3.91	3.6	\$4.366	4.2	\$4.822	4.8	\$5.278	5.4	\$5.734
3.05	3.948	3.65	4.404	4.25	4.86	4.85	5.316	5.45	5.772
3.1	3.986	3.7	4.442	4.3	4.898	4.9	5.354	5.5	5.81
3.15	4.024	3.75	4.48	4.35	4.936	4.95	5.392	5.55	5.848
3.2	4.062	3.8	4.518	4.4	4.974	5.0	5.43	5.6	5.886
3.25	4.10	3.85	4.556	4.45	5.012	5.05	5.468	5.65	5.924
3.3	4.138	3.9	4.594	4.5	5.05	5.1	5.506	5.7	5.962
3.35	4.176	3.95	4.632	4.55	5.088	5.15	5.544	5.75	6.00
3.4	4.214	4.0	4.67	4.6	5.126	5.2	5.582	5.8	6.038
3.45	4.252	4.05	4.708	4.65	5.164	5.25	5.62	5.85	6.076
3.5	4.29	4.1	4.746	4.7	5.202	5.3	5.658	5.9	6.114
3.55	4.328	4.15	4.784	4.75	5.24	5.35	5.696	5.95	6.152

MILK SAMPLES TESTED - Producer Fresh Samples 5,918 - Handler Finished Products 230.

During September an average of 8.7 samples per producer was used to determine butterfat content and pay test. Other samples were used to determine water, bacteria, antibiotics, etc. by the plants and various agencies.

PRODUCER MILK CLASSIFICATION  
January thru September



## CHATTANOOGA ORDER MILK PRICES (4 PERCENT MILK)

Month	PRODUCER UNIFORM PRICES <sup>1/</sup>				HANDLER CLASS PRICES <sup>1/</sup>			
	Per Hundredweight				Class I		Class II	
	Uniform	Base	Excess	Bf.Dif.	Cwt.	Bf.Dif.	Cwt.	Bf.Dif.
Sept. '60	\$4.84	-	-	7.6¢	\$5.14	7.7¢	\$3.50	7.0¢
Oct.	4.74	-	-	7.6	5.19	8.0	3.52	7.0
Nov.	4.85	-	-	7.6	5.30	7.9	3.55	7.1
Dec.	4.84	-	-	7.6	5.29	8.0	3.50	7.0
Jan. '61	4.96	-	-	7.6	5.43	7.9	3.50	7.0
Feb.	4.96	-	-	7.6	5.43	7.9	3.21	7.0
Mar.	4.73 <sup>2/</sup>	\$4.89	\$3.17	7.6	5.29	7.9	3.21	7.0
Apr.	4.56 <sup>2/</sup>	4.78	3.15	7.6	5.26	7.9	3.19	7.0
May	4.43 <sup>2/</sup>	4.65	3.09	7.6	5.14	7.9	3.13	7.0
June	4.51 <sup>2/</sup>	4.69	3.07	7.6	5.16	7.9	3.11	7.0
July	4.58 <sup>2/</sup>	4.76	3.06	7.6	5.20	7.9	3.10	7.0
Aug.	4.55	-	-	7.6	5.20	7.9	3.10	7.0
Sept.	4.67	-	-	7.6	5.00	7.9	3.65	7.0
Oct.	-	-	-	-	5.04	7.9	-	-

## PRICES USED IN DETERMINING CLASS PRICES

Month	AVERAGE QUOTATIONS				ALTERNATIVE FORMULAS (\$-cwt-4%)				Highest or Basic Formula \$-cwt-4%
	Mid-West Cond.	Chi.92° Butter	Chi.Area Powders	Wisc. Cheese	Mid-West Cond.	Butter	Butter	4 Tenn. Milk Mfg.	
	\$-cwt-3.5%	¢ Lb.	¢ Lb.	¢ Lb.		Cheese	Powder		
Sept. '60	3.202	61.280	12.780	36.600	3.58	3.38	3.50	3.23	3.58
Oct.	3.311	60.773	13.085	37.750	3.69	3.38	3.52	3.25	3.69
Nov.	3.402	61.470	13.150	37.750	3.78	3.41	3.55	3.25	3.78
Dec.	3.440	60.491	13.130	37.750	3.82	3.37	3.50	3.25	3.82
Jan. '61	3.415	60.466	13.190	36.750	3.80	3.35	3.50	3.25	3.80
Feb.	3.240	60.460	13.180	33.938	3.62	3.30	3.50	3.21	3.62
Mar.	3.228	60.466	13.120	34.700	3.61	3.31	3.50	3.21	3.61
Apr.	3.230	60.466	14.325	34.625	3.61	3.31	3.58	3.19	3.61
May	3.188	60.466	14.615	34.344	3.57	3.31	3.61	3.13	3.61
June	3.122	60.466	14.820	34.250	3.50	3.31	3.61	3.11	3.61
July	3.154	60.466	14.865	34.375	3.53	3.31	3.61	3.10	3.61
Aug.	3.173	60.466	15.120	34.750	3.55	3.31	3.65	3.10	3.65
Sept.	3.182	60.466	15.105	35.025	3.56	3.32	3.65	3.10	3.65

## SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Month	GROSS MILK 3/			PRODUCER MILK 3/				Deliveries Per			Prod.
	No.	Total	Class I	Class I	Total	Base	No.	Farm----Pounds			Milk
	Hdlrs.	Receipt	Use	Use	Receipt	Receipt	Prod.	Prod.	Base	Exc.	Test%
Sept. '60	18	465,087	384,465	379,222	453,829	-	707	642	-	-	4.12
Oct.	18	475,398	357,470	352,238	461,276	-	702	657	-	-	4.32
Nov.	18	473,586	357,816	350,520	456,896	-	699	654	-	-	4.41
Dec.	19	462,660	348,283	341,170	441,649	-	693	637	-	-	4.47
Jan. '61	19	453,461	348,486	342,735	438,370	-	682	643	-	-	4.46
Feb.	19	459,303	356,369	350,556	441,509	-	680	649	-	-	4.32
Mar.	19	491,471	358,734	354,390	470,370	425,350	679	693	626	67	4.22
Apr.	19	524,575	345,341	340,710	500,199	433,593	679	737	639	98	4.17
May	19	543,037	335,821	331,836	499,382	429,582	679	735	633	102	4.17
June	17	527,187	326,698	322,572	460,329	409,710	676	681	606	75	4.16
July	16	466,850	321,059	316,817	437,786	391,221	674	650	580	70	4.11
Aug.	16	482,411	331,307	326,824	455,734	-	683	667	-	-	4.10
Sept.	16	510,850	392,789	387,810	490,627	-	684	717	-	-	4.10

<sup>1/</sup> Excludes Premiums<sup>2/</sup> For statistics only<sup>3/</sup> Other Source is Gross minus Producer; Class II is Receipts minus Class I;  
Excess is Producer minus Base